

HONORABLE JOHN C. COUGHENOUR

UNITED STATES DISTRICT COURT  
WESTERN DISTRICT OF WASHINGTON  
AT SEATTLE

JEFF OLBERG, an individual, CECILIA ANA  
PALAO-VARGAS, an individual, MICHAEL  
CLOTHIER, an individual, and JACOB  
THOMPSON, and individual, on behalf of  
themselves and all others similarly situated,

Plaintiffs,

v.

ALLSTATE INSURANCE COMPANY, an  
Illinois Corporation and ALLSTATE FIRE  
AND CASUALTY INSURANCE COMPANY,  
an Illinois Corporation, and CCC  
INFORMATION SERVICES  
INCORPORATED, a Delaware Corporation,

Defendants.

No. 18-cv-00573

THIRD AMENDED COMPLAINT

JURY DEMAND

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## I. NATURE OF THE CASE

1. When a person's vehicle is totaled in an accident, an automobile insurance company must not underpay claims by manipulating the data used to value the vehicle to underpay claims. Specifically, Washington law requires insurance companies to ensure that the value of the loss vehicle is "representative of the actual cash value of a comparable motor vehicle in the principally garaged area."<sup>1</sup> "Actual cash value" is defined to mean "the fair market value of the loss vehicle immediately prior to the loss."<sup>2</sup> Fair market value is generally defined along these lines: "The price at which property would change hands between a willing buyer and a willing seller, neither being under any compulsion to buy or to sell and both having reasonable knowledge of relevant facts." Treasury Regulation §1.170A-1(c)(2)

2. Washington law prohibits insurance companies from valuing a total loss vehicle based on market prices of vehicles that are not comparable to the loss vehicle in manufacture and distribution. This includes using salvage and gray market vehicles to value a loss vehicle that is neither a salvage title nor a gray market vehicle. Comparing the loss vehicle to salvage vehicles implies the loss vehicle was a total loss immediately *before* the incident.<sup>3</sup> Gray market vehicles are manufactured for markets outside the U.S. and are therefore not comparable to vehicles made for the U.S. market.

3. The Defendants work in concert to ensure total loss vehicles are undervalued and thus, underpaid. Defendant CCC Information Services ("CCC") knowingly and intentionally uses salvage titles and gray market vehicles as comparable vehicles to value the total loss vehicle and Defendants Allstate Insurance Company and Allstate Fire and Casualty Company ("Allstate") rely on these deflated values to settle claims. Washington law also prohibits insurance companies from reducing the claim values of total-loss vehicles with arbitrary, unexplained, and unjustified adjustments to the condition of comparable vehicles used to value

<sup>1</sup> See e.g. Wash. Admin. Code 284-30-320, 391.

<sup>2</sup> Wash. Admin. Code 284-30-320.

<sup>3</sup> *Id.*

1 the loss vehicle, bearing no relation to actual cash value.<sup>4</sup> An insurer also must not misstate or  
 2 conceal material facts that bear upon its estimate of value.

3 4. Likewise, companies that sell valuation data to the insurers must not base  
 4 valuations on market prices of vehicles previously declared total losses. These companies must  
 5 also not make arbitrary, unexplained, and unjustified adjustments to comparable vehicles used in  
 6 the valuation. Such companies must ensure that they provide accurate and reliable vehicle values  
 7 to insurers that pay total loss claims.

8 5. In negotiating and settling total loss claims, Allstate and CCC (collectively,  
 9 “Defendants”), flagrantly violate these rules.

10 6. First, when CCC selects vehicles to compare with loss vehicles insured by  
 11 Allstate, it includes salvage vehicles—vehicles previously damaged beyond what is  
 12 economically viable to repair. Salvage vehicles are not comparable to the loss vehicle and are  
 13 worth less due to their salvage status. Washington law requires the insurer to determine what the  
 14 value of the loss vehicle was *before* being totaled, not to value it by comparing it to a vehicle  
 15 *already* totaled. Allstate works in tandem with CCC to misrepresent the salvage vehicles as  
 16 comparable to the loss vehicle while failing to disclose their salvage status, deceiving consumers  
 17 and cheating them on their claims.

18 7. Second, when CCC selects vehicles to compare with loss vehicles insured by  
 19 Allstate, it includes other types of vehicles that are not comparable to the loss vehicle, including  
 20 gray market vehicles—vehicles manufactured for consumers in foreign countries and imported  
 21 into the U.S.—that are not comparable to the loss vehicle and are worth less due to their gray  
 22 market status. Allstate works in tandem with CCC to misrepresent the gray market vehicles as  
 23 comparable in price while failing to disclose their gray market status, deceiving consumers and  
 24 cheating them on their claims.

25 8. Third, when CCC produces valuation reports for Allstate total loss claims, it  
 26 reduces the value of comparable vehicles by an arbitrary amount that it deems a “condition  
 27

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28 <sup>4</sup> See *id.*

adjustment” without itemizing or explaining the basis for the adjustment as required by Washington law. Allstate and CCC apply a uniform “condition adjustment” to multiple comparable vehicles involved in a valuation without even distinguishing one vehicle from the next. These arbitrary and unjustified condition adjustments artificially and improperly reduce claim payments by hundreds or thousands of dollars.

9. Allstate is an insurance company bound to process claims fairly and make its insureds whole after an accident. Allstate’s systematic under-valuations and underpayments violate its insurance contracts as well as Washington regulations<sup>5</sup> governing the adjustment of total loss claims. Allstate’s actions also violate Washington prohibitions on consumer deception and settling insurance claims in bad faith.

10. CCC represents that it is a “leading provider” of “big data insights” to the insurance industry. CCC provides vehicle valuations to the insurance industry, CCC provides vehicle valuations to Allstate for paying total loss vehicle claims. CCC unlawfully conspires with Allstate to undervalue total loss claims and acts contrary to law, including total loss regulations WAC 284-30-320 and 391, by furnishing valuation reports that (1) list salvage and gray market vehicles as comparable to the loss vehicle when they are not, and (2) contain arbitrary and unexplained condition adjustments to the values of comparable vehicles.

11. Plaintiffs bring this class action on behalf of all those insured under automobile insurance policies issued in the State of Washington by Allstate Insurance Company and Allstate Fire and Casualty Company whose claim valuations were provided by CCC Information Services Inc. and contained either (1) salvage or gray market vehicles listed as comparable vehicles, and/or (2) values of comparable vehicles reduced by artificial, unexplained “condition adjustments.”

12. Plaintiffs seek for themselves and the class compensatory damages, treble damages, and attorney’s fees, as well as declaratory and injunctive relief.

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<sup>5</sup> *Id.*

## II. JURISDICTION

13. This Court has jurisdiction pursuant to the Class Action Fairness Act of 2005, 28 U.S.C. § 1332(d), because the proposed Class consists of 100 or more members; the amount in controversy exceeds \$5,000,000, exclusive of costs and interest; and minimal diversity exists. Plaintiffs are citizens of Washington and Allstate is a citizen of Illinois (where it is incorporated and has its principal place of business) and CCC is a citizen of Delaware (where it is incorporated and has its principal place of business in Illinois).

14. This Court has personal jurisdiction over Allstate Insurance Company because Allstate Insurance Company is a corporation licensed and authorized to do business in Washington and has transacted business in King County, Washington. This Court has personal jurisdiction over Allstate Fire and Casualty Insurance Company because Allstate Fire and Casualty Insurance Company is a corporation licensed and authorized to do business in Washington and has transacted business in King County, Washington. This Court has personal jurisdiction over CCC because CCC has purposefully directed its activities toward Washington by contracting to provide valuation services to insurance carriers in Washington for use in settling and underpaying total loss claims of Washington insureds. This Court has personal jurisdiction over Plaintiffs because Plaintiffs consent to this Court's jurisdiction.

## III. VENUE

15. Venue is proper in this District under 28 U.S.C. § 1391 because this is the District in which Plaintiffs' insurance benefits were denied and the cause of action arose.

## IV. PARTIES

16. Plaintiffs Jeff Olberg, Cecilia Ana Palao-Vargas, Michael Clothier, and Jacob Thompson were at all relevant times residents of the State of Washington.

17. At all times pertinent, Plaintiff Jeff Olberg was insured under a policy of automobile insurance with Allstate Insurance Company that included coverage for the total loss of a vehicle.

18. At all times pertinent, Plaintiff Cecilia Ana Palao-Vargas was insured under a

1 policy of automobile insurance with Allstate Fire and Casualty Insurance Company that included  
2 coverage for the total loss of a vehicle.

3 19. At all times pertinent, Plaintiff Michael Clothier was insured under a policy of  
4 automobile insurance with Allstate Fire and Casualty Insurance Company that included coverage  
5 for the total loss of a vehicle.

6 20. At all times pertinent, Plaintiff Jacob Thompson was insured under a policy of  
7 automobile insurance with Allstate Fire and Casualty Insurance Company that included coverage  
8 for the total loss of a vehicle.

9 21. Allstate Insurance Company is an Illinois corporation with its principal place of  
10 business in Illinois.

11 22. Allstate Insurance Company is an underwriting company wholly owned by the  
12 Allstate Corporation, a Delaware corporation.

13 23. Allstate Fire and Casualty Insurance Company is an Illinois corporation with its  
14 principal place of business in Illinois.

15 24. Allstate Fire and Casualty Insurance Company is also wholly owned by the  
16 Allstate Corporation.

17 25. CCC is a Delaware corporation with its principal place of business in Illinois.

## 18 V. FACTUAL ALLEGATIONS

### 19 A. Allstate obtains and relies on manipulated data provided by CCC to underpay total 20 loss claims.

21 26. All allegations contained in previous paragraphs are incorporated herein by  
22 reference.

23 27. Allstate Insurance Company and Allstate Fire and Casualty Company file a  
24 consolidated annual statement as members of The Allstate Insurance Group. The Allstate  
25 Insurance Group is the fourth-largest personal lines insurance company in the United States.  
26 Members of The Allstate Insurance Group, including Defendants, issue automobile insurance  
27 policies to consumers in the State of Washington.

28 28. The Allstate Insurance Group is made up of two distinct “brands” the Allstate

1 Brand and the Esurance Brand. Allstate Insurance Company and Allstate Fire and Casualty  
2 Insurance Company are both a part of the Allstate Brand.

3 29. The Allstate Brand touts itself as a reliable and trustworthy source of insurance  
4 coverage. In its advertising campaigns, the Allstate Brand has adopted the motto, “You’re in  
5 good hands.” On its website, the Allstate Brand claims, “In every aspect of our business, we  
6 strive to do the right thing—for our customers, our employees, our communities and our world.”  
7 But when Allstate’s customers’ cars are wrecked in life-changing accidents, Allstate betrays  
8 these principles, playing games and putting profits ahead of people. Allstate conspires with CCC  
9 to fudge the numbers to shortchange vulnerable consumers, who are relying on Allstate to pay  
10 fair value so they can afford to buy a replacement.

11 30. Defendants work in concert to create policies and infrastructure that cheat the  
12 insureds out of monies to which they are entitled. Under its agreement with Allstate, CCC  
13 provides Allstate with valuation reports that apply unjustified, explained, and unitemized  
14 condition adjustments to reduce the values of comparable vehicles used to value total loss  
15 claims. The valuation reports also utilize the prices of salvage and gray market vehicles to  
16 determine the price of the loss vehicle without disclosing their salvage and gray market status,  
17 even though salvage and gray market vehicles are inherently worth less than non-salvage and  
18 non-gray market vehicles.

19 31. As wholly owned subsidiaries of the same company, Allstate Insurance Company  
20 and Allstate Fire and Casualty Insurance Company share a common corporate headquarters, file  
21 a combined annual report and tax return, and use valuation reports from CCC that are  
22 indistinguishable in form between the insurers, providing a uniform method of undervaluing total  
23 loss claims for Allstate insureds.

24 32. Upon information and belief, Allstate follows a single set of guidelines, methods,  
25 and policies regarding the application of condition adjustments and the use of gray market  
26 vehicles to systemically undervalue total loss claims.

27 33. Salvage vehicles are vehicles previously declared total losses, and their titles are  
28 branded with labels such as “salvage,” “total loss,” or “rebuilt” to advise all future owners that

1 the vehicle was so damaged as to be deemed uneconomical to repair. Under Washington law,  
 2 “Salvage vehicle” is defined as follows:

3 [A] vehicle whose certificate of title has been surrendered to the department  
 4 under RCW 46.12.600 due to the vehicle's destruction or declaration as a total  
 5 loss or for which there is documentation indicating that the vehicle has been  
 6 declared salvage or has been damaged to the extent that the owner, an insurer,  
 or other person acting on behalf of the owner, has determined that the cost of  
 parts and labor plus the salvage value has made it uneconomical to repair the  
 vehicle.

7 Wash. Rev. Code § 46.04.514.

8 34. Such serious damage and any associated repairs in a vehicle’s history impair its  
 9 fair market value because, among other things, a reasonable buyer would question the safety and  
 10 reliability of a vehicle already wrecked.

11 35. Gray market vehicles are vehicles manufactured for markets outside the United  
 12 States and later imported and offered for sale in the United States.

13 36. Gray market vehicles are disfavored in the marketplace and generally less  
 14 valuable than vehicles manufactured for the U.S. market. The prices of gray market vehicles are  
 15 depressed for several reasons:

- 16 a. For a given year, make, and model, vehicles made for non-U.S. markets such  
 17 as Canada have different safety and environmental specifications from  
 18 vehicles made for the U.S. market and require modifications to comply with  
 19 U.S. law;
- 20 b. Gray market vehicles frequently lack a clear chain of title, increasing the risk  
 21 that the vehicle has been stolen;
- 22 c. Gray market vehicles are manufactured with an instrument panel and  
 23 odometer that uses kilometers instead of miles, and the conversion from  
 24 kilometers to miles creates a risk that the odometer has been manipulated;
- 25 d. The prices of vehicles are depressed by arbitrage. Because vehicle supply and  
 26 demand varies and currency strength varies from one country to the next, the  
 27  
 28

1 cost of a gray market vehicle is often lower than a vehicle of the same year,  
2 make, and model made for and sold in the United States;

3 37. For these reasons, a gray market vehicle is not “a comparable motor vehicle” for a  
4 vehicle of the same year, make, and model made for the U.S. market. Using gray market vehicles  
5 to calculate the value of the loss vehicle artificially reduces the valuation of the loss vehicle to  
6 benefit the insurer at the expense of the insured.

7 38. Allstate’s standard form automobile policy provides coverage for the total loss of  
8 a vehicle in an accident.

9 39. For total loss claims, Allstate must base any cash settlement offer on the “actual  
10 cash value of a comparable motor vehicle.” WASH. ADMIN. CODE § 284-30-391(2).

11 40. In the event of a total loss, Allstate promises in its policy that it will pay the  
12 insured the “actual cash value” of the vehicle before the accident.

13 41. For total loss claims, “[c]omparable motor vehicle’ means a vehicle that is the  
14 same make and model, of the same or newer model year, similar body style, with similar  
15 options and mileage as the loss vehicle and in similar overall condition, as established by  
16 current data. To achieve comparability, deductions or additions for options, mileage or  
17 condition may be made if they are itemized and appropriate in dollar amount.” WASH.  
18 ADMIN. CODE § 284-30320(2).

19 42. For total loss claims, Allstate must “[b]ase all offers on itemized and verifiable  
20 dollar amounts for vehicles that are currently available . . . using appropriate deductions or  
21 additions for options, mileage or condition when determining comparability.” WASH. ADMIN.  
22 CODE § 284-30-391(4)(b).

23 43. For total loss claims, “[a]ny additions or deductions from the actual cash value  
24 must be explained to the claimant and must be itemized showing specific dollar amounts.”  
25 WASH. ADMIN. CODE § 284-30-391(5)(d). The purpose of this requirement is to ensure that  
26 any adjustments are reasonable and justified and to ensure that consumers have the ability to  
27 evaluate and challenge any deductions that are improper.

1           44.     CCC and Allstate have conspired to create a system whereby CCC artificially  
2 deflates the estimated value of the total loss vehicle enabling Allstate to offer and pay less than  
3 the actual cash value.

4           45.     Allstate also bases its offers and payments on manipulated valuation reports  
5 furnished by CCC that do not satisfy Washington law for two reasons. First, the valuations  
6 utilize the prices of salvage and gray market vehicles that are not comparable to the loss vehicle  
7 because of their salvage and gray market status, without making any countervailing adjustment  
8 in favor of the insured. Second, the valuations utilize arbitrary and unexplained “condition  
9 adjustments” to artificially reduce the values of comparable vehicles.

10           46.     CCC advertises itself as “a leading provider of innovative cloud, mobile,  
11 telematics, hyperscale technologies, and apps for the automotive insurance and collision repair  
12 industry.” Its website states that “CCC’s solutions and big data insights are delivered through the  
13 powerful CCC ONE platform, which connects a vast network of 350+ insurance companies,  
14 24,000+ repair facilities, OEMS, hundreds of parts suppliers, and dozens of third-party data and  
15 service providers.” CCC caters to the needs and demands of the insurance industry, stating its  
16 aim to “[t]rack claim process efficiencies and help ensure customers are happy and engaged.”

17           47.     The website states, “CCC ONE Valuation offers accurate, verifiable total loss  
18 valuations.” CCC promises to give insurers’ customers “the confidence of knowing they’re  
19 getting a vehicle valuation based on verifiable data.” CCC says its services will “BOOST YOUR  
20 CUSTOMERS’ CONFIDENCE” by making it “easier for you to explain the valuation to  
21 customers.”

22           48.     CCC and Allstate collaborate in the creation of the valuation report for each total  
23 loss vehicle. Under the contracts between CCC and Allstate, Defendants agreed that CCC would  
24 provide vehicle valuations based on current market data for total loss claims as well as a written  
25 report with that data for each total loss vehicle. Allstate has contracted with CCC to furnish  
26 valuation reports to be used in the process of valuing total loss claims and adjusting the claims  
27 for insureds. Upon information and belief, Allstate conducted due diligence on CCC’s  
28 methodology and/or knew or should have known before contracting that (1) CCC’s use of

1 salvage and gray market vehicle data did not comply with Washington law and would result in  
2 deception, delays, and underpayments of motor vehicle total loss claims and (2) CCC's  
3 application of condition adjustments to the values of comparable vehicles did not comply with  
4 Washington law and would result in deception, delays, and underpayments of motor vehicle total  
5 loss claims. Allstate contracted with CCC with the intention of relying upon CCC valuation  
6 reports to value total loss claims, knowing that generally total loss claim payments that did not  
7 involve a formal appraisal would be based upon the values stated in CCC valuation reports.

8         49. For each claim, Allstate provides basic information about the loss vehicle and its  
9 condition and configuration. CCC then populates the report with the sales prices of purportedly  
10 comparable vehicles it identified that recently sold or were for sale in the geographic area of the  
11 insured. The purportedly comparable vehicles include salvage and gray market vehicles, which  
12 are usually not comparable to the insured's loss vehicle because they either have been previously  
13 deemed a total loss or were manufactured for a foreign market. The report also contains  
14 unitemized, unexplained, and unjustified downward condition adjustments to the values of  
15 comparable vehicles. CCC takes an active role in collecting valuation data on comparable  
16 vehicles and then reducing those valuations to serve the economic interests of the insurer. These  
17 reports are arbitrary, unexplained, unjustified, unitemized, inconsistent, and contrary to  
18 Washington law, as alleged throughout the Complaint.

19         50. The reports contain a purported valuation for the loss vehicle based upon the data  
20 in the report. Upon information and belief, Allstate verified the results of some or all of CCC's  
21 valuations and at all relevant times knew or should have known that the application of  
22 unitemized, unexplained, and unjustified condition adjustments to comparable vehicles violates  
23 Washington law. Allstate also knew or should have known at all relevant times that basing  
24 valuations on the prices of salvage and gray market vehicles that are not comparable to the  
25 insured vehicle without a countervailing adjustment in favor of the insured does not comply with  
26 Washington law. At all relevant times Allstate knew or should have known that the use of CCC's  
27 valuations would result in deception, delays, and underpayments of motor vehicle total loss  
28 claims.

1           51.     Upon information and belief, CCC is aware that its total loss valuation method  
 2 does not comply with Washington law. CCC designs its products and services to serve the needs  
 3 of the insurance industry nationwide. It markets and documents its products and services for  
 4 insurers on a state-specific basis. Washington's total loss regulations require an insurer to base  
 5 valuations on the values of comparable motor vehicles, not the list prices of salvage and gray  
 6 market vehicles, which are not comparable. Washington's total loss regulations, WAC 284-30-  
 7 320 and - 391, also expressly require itemization and explanation of condition adjustments. But  
 8 CCC furnishes the valuation reports to the Insurer Defendants anyway to further the economic  
 9 interests of the Insurer Defendants at the expense of their insurance customers.

10           52.     Allstate offers each insured a claim settlement equivalent to the valuation amount  
 11 found on the report.

12           53.     The valuation reports reduce the estimated values of comparable vehicles, citing a  
 13 "condition adjustment," but fail to itemize or explain the basis for these condition adjustments.  
 14 These condition adjustments are arbitrary and unjustified. Indeed, even though each comparable  
 15 vehicle has unique characteristics, the reports reduce the value of multiple comparable vehicles  
 16 by the same amount, down to the last dollar, without any itemization or explanation. These blind  
 17 and arbitrary reductions bear no relation to the actual fair market value of the comparable  
 18 vehicles or the loss vehicle. The application of an arbitrary condition adjustment to reduce the  
 19 value of comparable vehicles artificially reduces the valuation of the loss vehicle to benefit the  
 20 insurer at the expense of the insured.

21           54.     The valuation reports also—at least in part—base their calculations upon the  
 22 values of salvage and gray market vehicles instead of vehicles that are comparable to the loss  
 23 vehicle, without any countervailing adjustment in favor of the insured.

24 **B.     Allstate underpaid the total loss claims of Plaintiffs.**

25           55.     Plaintiffs each owned a vehicle which was involved in an accident and damaged  
 26 so seriously as to be a total loss.

27           56.     Plaintiffs made claims with Allstate for the total loss of the vehicles. Allstate  
 28

1 provided written settlement offers to each plaintiff.

2 57. CCC furnished a valuation report to Allstate to be used in adjusting the claim for  
3 the value of the vehicle, in accordance with its contract with Allstate. Allstate based each  
4 settlement offer upon the valuation report obtained from CCC.

5 58. Plaintiff Jeff Olberg was the owner of a 2013 Ford Fusion Hybrid that was totaled  
6 in an accident in 2016. Allstate offered to pay, and did pay, \$16,870.68 (minus deductible)  
7 attributable to the value of the vehicle, citing the CCC valuation report. Plaintiff Olberg was  
8 provided the CCC valuation report when Allstate presented its proposed valuation. Days after the  
9 accident, Allstate emailed the valuation report to Plaintiff Olberg together with a letter outlining  
10 the vehicle valuation and claim settlement offer that was based in part on—and specifically  
11 referred Plaintiff Olberg to—CCC's valuation. The CCC valuation report was presented as an  
12 authoritative source supporting Allstate's determination of the value. The CCC valuation report  
13 \$775 to all nine of them without itemizing or explaining the basis of the adjustment as required by  
14 Washington law. The report reduced the amount of these comparable vehicles by exactly the same  
15 amount, regardless of any individual differences in the condition of the vehicles. These blanket  
16 adjustments were arbitrary and unjustified, and they resulted in an underpayment of \$775.  
17 Plaintiff Olberg was forced to incur additional costs to hire a public adjuster and other out of  
18 pocket costs while the payment of his claim was delayed. These additional costs and the  
19 substantial delay were a result of Allstate's unlawful valuation practices.

20 59. The CCC valuation report for Plaintiff Olberg's claim also based its calculations  
21 on the value of at least one gray market vehicle instead of a comparable vehicle as required by  
22 Washington law: Vehicle No. 3FA6P0LU7DR264686 was manufactured for the Canadian Market  
23 in March 2013, was registered in Canada in April 2013, and was imported to the US in September  
24 2016. Yet, it was included in the CCC valuation report generated at Allstate's request.

25 60. The CCC valuation report itself specifies on page 9 that Plaintiff Olberg's  
26 wrecked vehicle is not a gray market vehicle. At the same time, the CCC valuation report  
27 misstates that the gray market vehicle is comparable to Plaintiff's vehicle and fails to disclose  
28 gray market status of the gray market vehicle. The use of a gray market vehicle resulted in an

1 undervaluation to be determined based upon the economic impact of using gray market vehicles  
2 for vehicle pricing analysis.

3 61. In the valuation report, Allstate and CCC state whether the loss vehicle is a gray  
4 market vehicle and did in fact determine that Plaintiff Olberg's vehicle was not a gray market  
5 vehicle. Nonetheless, CCC's valuation report misstates that the gray market vehicle was  
6 comparable to the loss vehicle and never discloses that it is comparing the loss vehicle to a gray  
7 market vehicle.

8 62. Plaintiff Cecilia Ana Palao-Vargas was the owner of a 2011 Hyundai Sonata that  
9 was totaled in an accident in 2015. Allstate offered to pay, and did pay, \$15,034.93 (minus  
10 deductible) attributable to the value of the loss vehicle, citing the CCC valuation report. Plaintiff  
11 Palao-Vargas was provided the CCC valuation report when Allstate presented its proposed  
12 valuation. Days after the accident, Allstate emailed the valuation report to Plaintiff Palao-Vargas  
13 together with a letter outlining the vehicle valuation and claim settlement offer that was based in  
14 part on—and specifically referred Plaintiff Palao-Vargas to—CCC's valuation. The CCC  
15 valuation report was presented as an authoritative source supporting Allstate's determination of  
16 the value. The CCC valuation report listed values of nine different comparable vehicles and  
17 applied a uniform condition adjustment of \$684 to all nine of them without itemizing or  
18 explaining the basis of the adjustment as required by Washington law. CCC's report reduced the  
19 amount of each comparable vehicle by exactly the same amount, regardless of individual  
20 differences in the condition of the vehicles. These blanket adjustments were arbitrary and  
21 unjustified, and they resulted in an underpayment of \$684.

22 63. The CCC valuation report for Plaintiff Palao-Vargas also contained a gray market  
23 vehicle. Vehicle No. 5NPEC4AB6BH308719 was manufactured for sale in Canada and was  
24 registered in in British Columbia in 2011 where it remained until it was imported to the US in  
25 August 2016. Yet CCC listed this vehicle as a purportedly comparable vehicle in the valuation  
26 report Allstate tendered to Plaintiff Palao-Vargas instead of relying on comparable vehicles as  
27 required by Washington law. The CCC valuation report itself specifies on page 9 that Plaintiff's  
28 wrecked vehicle is not a gray market vehicle. At the same time, the valuation report misstates

1 that the gray market vehicle is comparable to Plaintiff Palao-Vargas's vehicle and fails to  
 2 disclose the gray market status of the gray market vehicle. CCC's use of a gray market vehicle  
 3 resulted in an undervaluation to be determined based upon the economic impact of using gray  
 4 market vehicles for vehicle pricing analysis.

5 64. Through the valuation report, Allstate and CCC have the ability to determine  
 6 whether a vehicle is a gray market vehicle and did in fact determine that Plaintiff Palao-Vargas's  
 7 vehicle was not a gray market vehicle. Nonetheless, CCC's valuation report misstates that the  
 8 gray market vehicle was comparable to the loss vehicle and never discloses that it is comparing  
 9 the loss vehicle to a gray market vehicle.

10 65. Plaintiff Michael Clothier was the owner of a 2012 Dodge 1500 Laramie Longhorn  
 11 that was totaled in an accident in 2016. Allstate initially offered to pay, \$22,641.00 (minus  
 12 deductible) attributable to the value of the loss vehicle, citing the CCC valuation report. Plaintiff  
 13 Clothier was provided the CCC valuation report when Allstate presented its proposed valuation.  
 14 Days after the accident, Allstate emailed the valuation report to Plaintiff Clothier together with a  
 15 letter outlining the vehicle valuation and claim settlement offer that was based in part on—and  
 16 specifically referred Plaintiff Clothier to—CCC's valuation. The CCC valuation report was  
 17 presented as an authoritative source supporting Allstate's determination of the value.

18 66. All vehicles used to determine the value of Plaintiff Clothier's vehicle in the first  
 19 valuation report were gray market vehicles:

- 20 a) Vehicle No. 1C6RD7PT4CS295897 was manufactured for sale in Canada,  
 21 was registered in Canada in October 2011, and was imported to the US in  
 22 October 2016;
- 23 b) Vehicle No. 1C6RD7PT7CS256642 was manufactured for sale in Canada in  
 24 2012 with Canadian specifications including a speedometer denoted in  
 25 kilometers, was registered in Canada in October 2012, and was imported to  
 26 the US in August 2016;
- 27 c) Vehicle No. 1C6RD7PT3CS131637 was manufactured for sale in Canada in  
 28 2011 with Canadian specifications including a speedometer denoted in

1 kilometers, was registered in Canada in November 2011, and was imported to  
2 the US in June 2016;

- 3 d) Vehicle No. 1C6RD7PTXCS264203 was manufactured for sale in Canada in  
4 2012 with Canadian specifications including a speedometer denoted in  
5 kilometers, was registered in Canada in June 2012, and was imported to the  
6 US in June 2016.

7 67. Upon discovery of the use of gray market vehicles in the valuation of his loss  
8 vehicle, Plaintiff Clothier notified Allstate and requested an updated valuation report using non-  
9 gray market vehicles. All the comparable vehicles listed in the second CCC valuation report  
10 were also gray market vehicles:

- 11 a) Vehicle No. 1C6RD7PT4CS110795 was manufactured for sale in Canada in  
12 2012 with Canadian specifications including a speedometer set to kilometers,  
13 was registered in Canada in November 2011, and was imported to the US in  
14 August 2016;
- 15 b) Vehicle No. 1C6RD7PT5CS237801 was manufactured for sale in Canada in  
16 2011 with Canadian specifications including a speedometer set to kilometers,  
17 was registered in Canada in February 2011, and was imported to the US in  
18 September 2016.

19 68. Despite being non-comparable, gray market vehicles, CCC included both of these  
20 vehicles—along with the previously mentioned gray market Vehicle No.  
21 1C6RD7PT4CS295897—in the second CCC valuation report tendered to Plaintiff Clothier by  
22 Allstate. Even though Plaintiff Clothier had identified and complained about the use of gray  
23 market vehicles, CCC generated and Allstate produced yet another vehicle valuation report that  
24 contained gray market vehicles.

25 69. Upon reviewing the second report, Plaintiff Clothier requested a revaluation of his  
26 loss vehicle. The third CCC report generated by CCC at Allstate's request still included two  
27 vehicles previously identified as gray market vehicles, Vehicle Nos. 1C6RD7PT4CS295897 and  
28 1C6RD7PT5CS237801.

1           70.     The use of these gray market vehicles to value Plaintiff Clothier's vehicle resulted  
2 in undervaluations to be determined based upon the economic impact of using gray market  
3 vehicles for vehicle pricing analysis.

4           71.     It was not until Plaintiff Clothier received his fourth and final CCC valuation  
5 report and settlement offer that Allstate offered Plaintiff Clothier a settlement amount that did  
6 not rely upon the value of gray market vehicles.

7           72.     Additionally, each of the CCC valuation reports received by Plaintiff Clothier  
8 applied a uniform condition adjustment of approximately \$1,700 to all of the comparable vehicles  
9 without itemizing or explaining the basis of the adjustment as required by Washington law. The  
10 first three CCC valuation reports reduced the amount of each comparable vehicle by exactly  
11 \$1,719, regardless of individual differences in the condition of the vehicles. The final CCC  
12 valuation report adjusted each of the six comparable vehicles by \$1,749, regardless of the  
13 individual differences in those vehicles. These blanket adjustments were arbitrary and unjustified.  
14 As a result of Allstate and CCC's unlawful valuation practices and the need to challenge them,  
15 Plaintiff was forced to contest the valuation and the payment of Plaintiff Clothier's claim was  
16 delayed by an appraisal process. The appraisal determined that Plaintiff Clothier's vehicle was  
17 worth \$27,000, nearly 20% more than Allstate's initial offer based on the faulty CCC valuation  
18 reports. Allstate based its payment on this appraisal, and Plaintiff Clothier incurred out-of-pocket  
19 losses because the payment of his claim was delayed as a result of Allstate and CCC's unlawful  
20 valuation practices.

21           73.     Plaintiff Jacob Thompson was the owner of a 2013 Ford Edge Limited Edition that  
22 was total in an accident in 2018. Allstate initially offered to pay \$15,609.00 (minus deductible)  
23 attributable to the value of the loss vehicle, citing the CCC valuation report. Plaintiff Thompson  
24 was provided the CCC valuation report when Allstate presented its proposed valuation. Days after  
25 the accident, Allstate emailed the valuation report to Plaintiff Thompson together with a letter  
26 outlining the vehicle valuation and claim settlement offer that was based in part on—and  
27 specifically referred Plaintiff Thompson to—CCC's valuation. The CCC valuation report was  
28 presented as an authoritative source supporting Allstate's determination of the value.

1           74. The valuation report listed values of twelve different comparable vehicles and  
2 applied a uniform condition adjustment of \$553 to all twelve of them without itemizing or  
3 explaining the basis of the adjustment as required by Washington law. The report reduced the  
4 amount of each comparable vehicle by exactly the same amount, regardless of individual  
5 differences in the condition of the vehicles. These blanket adjustments were arbitrary and  
6 unjustified. Upon discovering that Allstate had grossly undervalued his vehicle, Plaintiff  
7 Thompson challenged the valuation and CCC furnished a new report to Allstate. The second  
8 report valued Plaintiff Thompson's vehicle at \$15,669.00. The updated CCC report also applied  
9 an unexplained, unitemized, uniform condition adjustment of \$553 to each of the twelve  
10 comparable vehicles. Again, Plaintiff Thompson challenged the valuation. The third CCC report  
11 listed values of eleven different comparable vehicles, but similar to the previous reports, applied  
12 an unexplained, uniform condition adjustment of \$528 to each of the comparable vehicles,  
13 regardless of individual differences resulting in a valuation of \$16,443.00.

14           75. As a result of Allstate and CCC's continued unlawful valuation practices and the  
15 need to challenge them, Plaintiff was forced to contest the valuation and the payment of Plaintiff  
16 Thompson's claim was delayed by an appraisal process. The appraisal determined that Plaintiff  
17 Thompson's vehicle was worth \$18,200, exceeding Allstate's initial offer based on the faulty  
18 CCC valuation reports by more than 15%. Allstate based its payment on this appraisal, and caused  
19 out-of-pocket losses to Plaintiff Thompson because Plaintiff Thompson was forced to pay nearly  
20 \$1,000 to hire a public adjuster, paid additional rental car payments, and incurred other out of  
21 pocket costs while the payment of his claim was delayed. These additional costs and the  
22 substantial delay were a result of Allstate and CCC's unlawful valuation practices.

23           76. Later, Plaintiff Thompson discovered the CCC valuation report for his claim  
24 based its calculations on the value of multiple gray market vehicles and not comparable vehicles  
25 as required by Washington law: For example, Vehicle No. 2FMDK4KC8DBB96540 was  
26 manufactured for sale in Canada in March 2013, was registered in British Columbia, Canada in  
27 April 2013, and was imported to the US in July 2017.

28           77. The CCC valuation report itself specifies on page 9 that Plaintiff Thompson's

1 wrecked vehicle is not a gray market vehicle. At the same time, the CCC valuation report  
2 misstates that the gray market vehicle is comparable to Plaintiff Thompson's vehicle and fails to  
3 disclose the gray market status of the gray market vehicle. The use of a gray market vehicle  
4 resulted in undervaluations to be determined based upon the economic impact of using gray  
5 market vehicles for vehicle pricing analysis.

6 78. Through the valuation report system, Allstate and CCC have the ability to  
7 determine whether a vehicle is a gray market vehicle and did in fact determine that Plaintiff  
8 Olberg's vehicle was not a gray market vehicle. Nonetheless, CCC's valuation report misstates  
9 that the gray market vehicle was comparable to the loss vehicle and never discloses that it is  
10 comparing the loss vehicle to a gray market vehicle.

11 79. Allstate and CCC systemically rely upon the value of salvage and gray market  
12 vehicles to value and/or settle total loss claims.

13 80. Since 2011, CCC has furnished valuation reports to over 1,000 Allstate insureds  
14 in Washington state that list at least one salvage vehicle as a comparable vehicle, even where the  
15 loss vehicle is not a salvage vehicle.

16 81. Since 2011, CCC has furnished valuation reports to over 2,000 Allstate insureds  
17 in Washington state that list at least one Canadian gray market vehicle as a comparable vehicle,  
18 even where the loss vehicle is not a gray market vehicle.

19 82. Upon information and belief, Allstate and/or CCC deliberately limit, skew, alter,  
20 fabricate, and/or otherwise distort the price data used to value total loss claims, such that the data  
21 includes a disproportionate number of prices for salvage vehicles, gray market vehicles, and  
22 other vehicles of types that are not comparable to (and inherently worth less than) the loss  
23 vehicles of their insureds.

24 83. Allstate and/or CCC rely upon a flawed algorithm that supplies salvage and gray  
25 market vehicles for use in CCC valuation reports and claim settlements without disclosure of the  
26 salvage and/or gray market status of those vehicles and without making any countervailing  
27 adjustment in favor of the insured.

84. Allstate and/or CCC fail to remove salvage and/or gray market vehicle prices from the price data used to value total loss claims.

85. Allstate and/or CCC fail to take reasonable measures to ensure that the price data used to value total loss claims does not include salvage and/or gray market vehicle prices.

86. Allstate and CCC have acted with at least reckless disregard of the rights of others by manipulating the numbers to settle total loss claims. Allstate and CCC have devised valuation methods that are unfair, misleading, deliberately inconsistent, and calculated to confuse and deceive consumers and their advocates in the settlement process.

87. Allstate and CCC's practices have cost consumers tens of millions of dollars in losses as their claims go underpaid. Meanwhile, Allstate and CCC reap millions in wrongful profits by betraying the trust of their consumers.

## VI. CLASS ACTION ALLEGATIONS

88. This action is brought and may properly be maintained as a class action, as it satisfies the numerosity, commonality, typicality, adequacy, predominance, and superiority requirements of Federal Rule of Civil Procedure 23. Plaintiffs bring all claims herein individually and as a class action (for the classes defined below), pursuant to Federal Rule of Civil Procedure 23.

89. The class consists of two subclasses defined as follows:

All individuals insured by Allstate under an Allstate private passenger vehicle policy who, from the earliest allowable time to the date of judgement,

(1) Received a first-party total loss settlement or settlement offer based in whole or in part on the price of one or more salvage or gray market vehicles, where the loss vehicle was not a salvage or gray market vehicle, respectively; or

(2) Received a first-party total loss settlement or settlement offer based in whole or in part on the price of comparable vehicles reduced by a "condition adjustment."

90. While the exact number of members cannot be determined, the class consists of at least thousands of persons located throughout the State of Washington. The members of the class

are therefore so numerous that joinder of all members is impracticable. The exact number of class members can readily be determined by documents produced by Allstate.

91. There are questions of fact and law common to the class, including the following:

- i. Whether Defendants used the values of salvage or gray market vehicles to calculate the values of loss vehicles;
- ii. Whether Defendants' use of salvage or gray market vehicles to calculate the values of loss vehicles was proper;
- iii. Whether Defendants applied condition adjustments to comparable vehicles to calculate the values of loss vehicles;
- iv. Whether Defendants' application of condition adjustments to comparable vehicles to calculate the values of loss vehicles was proper;
- v. Whether, through each of the foregoing practices, Allstate breached its contracts with its insureds;
- vi. Whether, through each of the foregoing practices, Allstate committed a breach of the common law duty of good faith and fair dealing;
- vii. Whether, through each of the foregoing practices, Allstate violated the Insurance Fair Conduct Act, WASH. REV. CODE § 48.30.010 *et seq.*;
- viii. Whether, through each of the foregoing practices, Allstate violated regulations governing unfair claims settlement practices including WASH. ADMIN. CODE § 284-30-330 *et seq.*;
- ix. Whether, through each of the foregoing practices, Defendants violated the Consumer Protection Act, WASH. REV. CODE § 19.86.020;
- x. Whether, through the foregoing practice, CCC negligently supplied information for the guidance of others;
- xi. Whether, through the foregoing practice, CCC and Allstate entered into an unlawful conspiracy;
- xii. Whether Defendants' use of salvage or gray market vehicles caused injury to Plaintiffs and the class;
- xiii. Whether Defendants' use of improper condition adjustments to value loss vehicles caused injury to Plaintiffs and the class;
- xiv. Whether Defendants' actions were unreasonable, frivolous, or unfounded;
- xv. Whether Defendants' actions were reckless, malicious, or willful;
- xvi. Whether Plaintiffs and the class are entitled to an award of compensatory damages;

- xvii. Whether Plaintiffs and the class are entitled to an award of treble damages;
- xviii. Whether Plaintiffs and the class are entitled to an award of attorney's fees;
- xix. Whether Plaintiffs and the class are entitled to declaratory and injunctive relief.

92. Plaintiffs have the same interests in this matter as all other members of each class, and their claims are typical of those of all members of each class. Plaintiffs' claims are coincident with and not antagonistic to those of other class members they seek to represent. Plaintiffs and all class members have sustained damages arising out of Defendants' common course of conduct as outlined herein. The damages of each class member were caused by Defendants' wrongful conduct.

93. Plaintiffs are committed to pursuing this action and have retained competent class counsel experienced in insurance litigation and class action litigation. Plaintiffs will fairly and adequately represent the interests of the class members.

94. Class certification is appropriate under Federal Rule of Civil Procedure 23(b)(2) because Allstate's actions are generally applicable to the class as a whole, and Plaintiffs seek, inter alia, equitable remedies with respect to the class as a whole.

95. Class certification is appropriate under Federal Rule of Civil Procedure 23(b)(3) because the common questions of law and fact enumerated above predominate over questions affecting only individual members of the class, and a class action is the superior method for fair and efficient adjudication of the controversy. The likelihood that individual members of the class will prosecute separate actions is remote due to the time and expense necessary to conduct such litigation. Plaintiffs' counsel, highly experienced in insurance litigation and class action litigation, foresees little difficulty in the management of this case as a class action.

### **FIRST CAUSE OF ACTION (BREACH OF CONTRACT AGAINST ALLSTATE)**

96. Plaintiffs re-allege and incorporate the preceding paragraphs as if fully set forth herein.

1           97.     The Allstate insurance contracts specifically provide for payment of the “actual  
2 cash value” of a vehicle deemed a total loss as a result of an automobile accident.

3           98.     Allstate has breached the contracts by not offering to settle and by not settling  
4 claims based upon the actual cash value of loss vehicles. Allstate departed from the use of actual  
5 cash values by (1) basing its valuation and payment of the claims on values of comparable  
6 vehicles that have been artificially reduced by an arbitrary and unjustified “condition adjustment”  
7 that is not itemized or explained; and (2) using a flawed algorithm that bases its valuation and  
8 payment of the claims upon the prices of salvage or gray market vehicles, where the loss vehicle  
9 is not a salvage or gray market vehicle, without disclosure and a countervailing adjustment in  
10 favor of the insured.

11           99.     Allstate’s numerous breaches have resulted in a systematic failure to pay the  
12 actual cash value of total-loss vehicles as required by contract.

13           100.    Allstate’s breaches and violations have caused damage to Plaintiffs and the class.

14                               **SECOND CAUSE OF ACTION**  
15           **(BREACH OF THE IMPLIED COVENANT OF GOOD FAITH AND FAIR DEALING**  
16                               **AGAINST ALLSTATE)**

17           101.    Plaintiffs reallege and incorporate the preceding paragraphs as if fully set forth  
18 herein.

19           102.    Allstate owed Plaintiffs and class members, as its insureds, a duty of good faith  
20 and fair dealing at all times during the existence of the insurance contracts and while providing  
21 automobile insurance coverage, including when handling total loss claims for its insureds.

22           103.    Allstate purposefully, in bad faith, and without regard to the rights of the Plaintiffs  
23 and the class, failed to pay the actual cash value of total-loss vehicles. Allstate’s actions breached  
24 the insurance contracts and were unreasonable, frivolous, and unfounded.

25           104.    Allstate’s unfair acts and/or acts of bad faith include (1) exercising its discretion  
26 to select and employ a valuation system that bases valuation and payment of the claim on values  
27 of comparable vehicles that have been artificially reduced by an arbitrary and unjustified  
28 “condition adjustment” that is not itemized or explained; and (2) exercising its discretion to  
select and employ a valuation system that bases its valuation and payment of the claim upon the

1 prices of salvage or gray market vehicles, which by definition are not comparable to the loss  
 2 vehicle and artificially depress the valuation by virtue of their salvage or gray market status;  
 3 (3) ignoring that their valuation reports are facially non-compliant with the law because they do  
 4 not itemize adjustments and contain vehicles with salvage and gray market title histories even  
 5 while confirming that the loss vehicle has no such history.

6 105. Allstate breached the covenant of good faith and fair dealing with the  
 7 aforementioned conduct.

8 106. Allstate's breach of the obligation of good faith and fair dealing caused Plaintiffs  
 9 and class members to incur damages as more fully set forth below.

10 **THIRD CAUSE OF ACTION**  
 11 **(CONSUMER PROTECTION ACT—VIOLATION OF WASH. REV. CODE § 19.86.020**  
**AGAINST ALL DEFENDANTS)**

12 107. Plaintiffs reallege and incorporate the preceding paragraphs as if fully set forth  
 13 herein.

14 108. Allstate and CCC's actions complained of herein are deceptive trade practices that  
 15 have the capacity to and do deceive consumers, as Defendants unreasonably denied payment of  
 16 benefits to Plaintiffs and the class and knowingly misrepresented the basis for its total loss  
 17 valuations. Allstate failed to adopt and implement reasonable standards for the investigation of  
 18 claims. Allstate failed to conduct a reasonable investigation regarding its claims payments.  
 19 Allstate further made false representations as to the characteristics and benefits of its total loss  
 20 coverage and insurance policies and represented that they were of a particular standard, quality,  
 21 or grade, knowing they were not. CCC intentionally or negligently supplied false and misleading  
 22 valuation data to Allstate for the guidance of Allstate and their customers in the settlement of  
 23 total loss claims, knowing the information would be used for this purpose and that the insured  
 24 would see and rely on data listed in the CCC valuation reports. The CCC valuation reports were  
 25 false or deceptive because they included condition adjustments to the values of comparable  
 26 vehicles that were unjustified, arbitrary, unitemized, and unexplained. These adjustments were  
 27 false or deceptive because they had no basis in fact, and regardless they resulted in a false or  
 28 deceptive statement of the value of the loss vehicle because they are contrary to Washington law

1 and should not have been applied. Additionally, the CCC valuation reports were false or  
 2 deceptive because they included the use of a flawed algorithm that presents salvage or gray  
 3 market vehicles as comparable vehicles when they are not, without disclosure or adjustment. As  
 4 described above, salvage and/or gray market vehicles are not true comparable vehicles as  
 5 required by Washington law. Thus, Allstate's settlement offers were based in part on false  
 6 valuations provided by CCC that did not reflect the value of the loss vehicle.

7 109. Defendants' conduct continues to occur in the course of Defendants' business.  
 8 Defendants' conduct is part of a generalized course of conduct repeated on thousands of  
 9 occasions, and thus has an impact on the public interest.

10 110. Defendants' conduct is in violation of the Washington Consumer Protection Act,  
 11 in particular, but not limited to, WASH. REV. CODE § 19.86.020.

12 111. As a result of Defendants' actions, Plaintiffs and class members incurred damages  
 13 as more fully set forth below.

14 **FOURTH CAUSE OF ACTION**  
 15 **(CIVIL CONSPIRACY AGAINST ALL DEFENDANTS)**

16 112. Plaintiffs re-allege and incorporate the preceding paragraphs as if fully set forth  
 17 herein.

18 113. As alleged above, Allstate knowingly entered into agreements with CCC under  
 19 which CCC would furnish Allstate with valuation reports that undervalued total loss claims by  
 20 applying unjustified, unexplained, and unitemized condition adjustments to the values of  
 21 comparable vehicles. Allstate also entered into agreements with CCC under which CCC would  
 22 furnish Allstate with valuation reports that undervalued total loss claims by relying upon an  
 23 algorithm that supplies prices of salvage or gray market vehicles, which are not comparable to  
 24 loss vehicles that are not salvage or gray market vehicles, without disclosure or a countervailing  
 25 adjustment in favor of the insured. Allstate is a sophisticated insurance company that conducts  
 26 due diligence inquiries on major transactions to purchase products and services from third  
 27 parties. Allstate entered into its contracts with CCC knowing that by doing so, it was  
 28 incorporating CCC's unlawful valuation methods into its claims handling practices. Allstate

1 permitted CCC to train Allstate personnel to abide by CCC's valuation recommendations and  
 2 Defendants dismissed and deflected concerns that the condition adjustments do not comply with  
 3 Washington law. The use of these valuation reports to process and underpay claims violates  
 4 Allstate's contracts with their insureds as well as the Washington Consumer Protection Act,  
 5 Wash. Rev. Code § 19.86.020.

6 114. The agreements between CCC and Allstate constitute an agreement to accomplish  
 7 a unlawful purposes, to wit, the breach of the insurance contracts. The agreements between CCC  
 8 and Allstate therefore constitute a civil conspiracy.

9 115. As a result of Defendants' actions, Plaintiffs and class members incurred damages  
 10 as more fully set forth below.

11 **FIFTH CAUSE OF ACTION**  
 12 **(DECLARATORY AND INJUNCTIVE RELIEF AGAINST ALL DEFENDANTS)**

13 116. Plaintiffs re-allege and incorporate the preceding paragraphs as if fully set forth  
 14 herein.

15 117. Plaintiffs bring this cause of action for themselves and the class pursuant to  
 16 Federal Rule of Civil Procedure 57 and 28 U.S.C. § 2201 seeking a declaration that, for those who  
 17 maintain an auto insurance policy with Allstate, it is a violation of Washington law and the  
 18 insurance contracts for Allstate to (1) base its valuation and payment of the claim on values of  
 19 comparable vehicles that have been artificially reduced by an arbitrary and unjustified "condition  
 20 adjustment" that is not itemized or explained; and (2) base its valuation and payment of the claim  
 21 upon values of salvage or gray market vehicles.

22 118. This court has the power to declare the rights of said Allstate policyholders and  
 23 those who would be insured under such policies and who may suffer similar losses in the future,  
 24 as well as those who have suffered valuation-related losses.

25 119. Plaintiffs, for themselves and on behalf of the class, seek a declaration of their  
 26 rights under the Allstate policy, and seek a declaration of the rights and liabilities of the parties  
 27 herein.

28 120. With respect to Defendants' continuing unlawful practices, Plaintiffs have no

1 plain, speedy, or adequate remedy at law, the interests of the parties favor an injunction, and an  
 2 injunction is in the public interest. Plaintiffs therefore seek an order permanently enjoining all  
 3 Defendants from (1) basing their valuation and/or payment of the claim on values of comparable  
 4 vehicles that have been artificially reduced by an arbitrary and unjustified “condition  
 5 adjustment” that is not itemized or explained; and (2) basing their valuation and payment of the  
 6 claim upon values of salvage or gray market vehicles.

### 7 **PRAYER FOR RELIEF**

8 WHEREFORE, Plaintiffs pray for the following judgment:

9 A. An Order certifying this action as a class action, including certifying each cause  
 10 of action under the appropriate subsection of Fed. R. Civ. P. 23;

11 B. An Order appointing Plaintiffs as class representatives and appointing the  
 12 undersigned counsel to represent the class;

13 C. Declaratory and injunctive relief, including an injunction requiring Defendants to  
 14 cease and desist from (1) basing their valuations and payments of the claims on values of  
 15 comparable vehicles artificially reduced by an arbitrary and unjustified “condition adjustment”  
 16 that is not itemized or explained; and (2) basing their valuations and payments of the claims upon  
 17 values of salvage or gray market vehicles without disclosure and adjustment where the loss  
 18 vehicle is not a salvage or gray market vehicle;

19 D. Treble damages under common law and by statute, under WASH. REV. CODE  
 20 § 19.86.090;

21 D. Compensatory damages;

22 E. An award of attorney’s fees and costs, as provided by law and/or as would be  
 23 reasonable from any recovery of monies recovered for or benefits bestowed upon the class; and

24 F. Such other and further relief as this Court may deem just, equitable, or proper,  
 25 including a designation that any unclaimed monies may go to the next best use.

### 26 **JURY DEMAND**

27 Pursuant to Rule Local Rules W.D. Wash. LCR 38, Plaintiffs demand a trial by jury of all  
 28 of the claims asserted in this complaint so triable.

THIRD AMENDED COMPLAINT - 26

Case No. 18-cv-00573

010743-12/1331903 V1



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1  
2 Dated: October 19, 2020.

Respectfully submitted,

3 HAGENS BERMAN SOBOL SHAPIRO LLP

4 By /s/ Steve W. Berman

5 Steve W. Berman

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